

STATE OF NEBRASKA

DEPARTMENT OF INSURANCE

Bruce R. Ramge

Director



Dave Heineman
Governor

N-O-T-I-C-E

TO: All Companies Writing Individual and Small Group Health Insurance in Nebraska

FROM: Bruce R. Ramge, CPCU, CIE
Director of Insurance

DATE: April 30, 2014

SUBJECT: **Transitional Policies Revised**

Recently, the federal government announced that it would continue its “transitional policy,” first announced on November 14, 2013, for an additional two plan years. On November 22, 2013, the Nebraska Department of Insurance (Department) issued a Notice advising that individual and small group health insurance policies issued or renewed on or after January 1, 2014, must comply with the provisions outlined in the Affordable Care Act (ACA) and declaring the Presidential announcement had no legal effect for the purposes of insurance regulation in Nebraska. The Department issued a Notice on March 24, 2014, stating that its position had not changed.

Since the March 24 Notice, the Department has conducted further review and given further consideration and analysis to the extension announced by the federal government. The agency also takes official note that the federal government has not yet implemented a functional SHOP marketplace and there appears to still be difficulties with the functionality of the newly created marketplace.

Additionally, the federal government has provided supplemental guidance with regard to transitional plans to the Department. Specifically, the Centers for Medicare and Medicaid Services has informed the Department that it will not consider the State of Nebraska to have failed to substantially enforce the law on account of its adoption of the transitional policy. A finding that the state has failed to substantially enforce the law would prevent the Department from being the primary regulator of health insurance in Nebraska. Instead, it would fall to the federal government.

Based upon all of these factors, the Department has determined that companies may offer to policyholders who held plans that were issued prior to January 1, 2014, the option to extend those health insurance plans through October 1, 2016.

As before, all other plans issued after January 1, 2014 must be ACA compliant. Questions concerning this notice may be directed to Martin Swanson, Administrator for Health Policy, at martin.swanson@nebraska.gov, or at (402) 471-2201. This Notice rescinds and reverses State of Nebraska Department of Insurance Notice dated March 24, 2014, “Subject: Transitional Policies.”